

# Shop@Anywhere

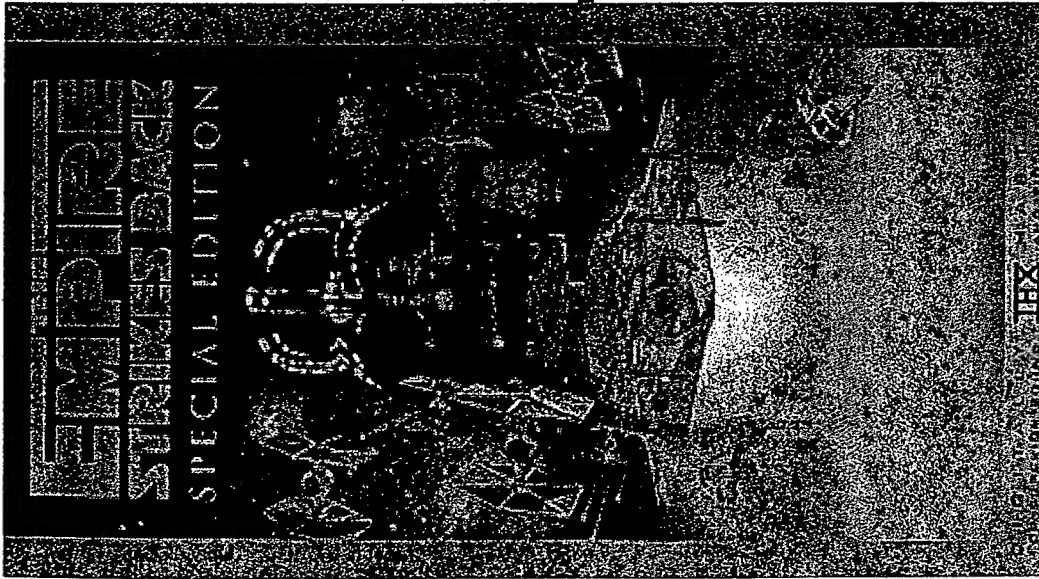
Episode 2: Online/Offline Integration

Code Name: Yoda

## Advanced Planning Meeting

Vincent Tong

10/16/00



Feel the "Brick-&-Mortar" Force...  
Online retail sales will reach only a  
modest 7% of the total retail market  
within the next 4 years  
(Red Herring/Forrester Research 07/00)

# What's the problem we are trying to solve?

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- ⌘ Consumers will spend \$199 billion online in 2005, but they will spend more than 3 times that offline as a direct result of online research (Jupiter 06/00)
- ⌘ Consequently, consumers need the ability to find the best deals for an individual product from online merchants as well as from physical store nearby all-in-one-place
- ⌘ Neither AOL nor our key competitors are addressing this need

"73% of all online buyers look  
for the most convenient  
off-line physical store location"  
- Jupiter

"73% of online browsers indicated  
that they researched products online  
and then purchased them at a  
physical store" - Jupiter

# Goals

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## SHORT-TERM (Shop@Anywhere Bullet – 6 months)

- ⌘ Make shopping easier and more convenient by helping consumers to locate nearby physical stores of “click-&-mortar” Shop@ merchant partners
- ⌘ Highlight local offerings from “click-&-mortar” merchant partners (e.g. physical store presence, local store return/pick-up for online sales)
- ⌘ Earn consumers’ trust, as they release their zipcode/address to us
- ⌘ Generate additional pages views
- ⌘ Drive local ad impressions via Digital City

## LONG-TERM

- ⌘ Provide a true multi-channel (both online and offline) merchant comparison environment with store-level product pricing and availability from “click-&-mortar”, “brick-&-mortar” only, and “pure-play e-tailer”

# Project Metrics

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- ⌘ Deploy store locator feature and highlight local store offering for 100% of “click-&-mortar” Shop@ merchant partners in 100% of Shop@ channels, after 3 months
- ⌘ 15% of store locator users will “store” their zipcode/address for repeat usage, after 3 months
- ⌘ Generate additional 17M pages views in year 1
- ⌘ Drive \$1.3M local ad impressions via Digital City in year 1

# Value Proposition

## Consumers

- ⌘ Convenience! -- This will make the info needed for my purchase decision readily available (local store listings of merchants)
- ⌘ Quick access to local store content (e.g. nearby restaurants, driving direction) to satisfy my need for entertainment & instant gratification
- ⌘ In the long term, "I have a feeling that [AOL Shopping] is limiting my choices" "Let me know that I could buy a book at BN.com but I could also buy it from Harry's Tiny Bookstore on the corner" (Murmurs)
- ⌘ Bottom Line = AOL provides us with the best comparison shopping for online merchants and local stores – HIGH

## Value Proposition

“Click-&-Mortar” Shop@ Merchant Partners (30% in headcount)

- ⌘ Drive sales and foot traffic to local stores
- ⌘ Make the most impact in differentiating vs. pure-play e-tailers. Proximity (touch product, need ASAP, easy return, want ASAP) is the key edge of local merchants (Red Herring/Jupiter 07/00)
- ⌘ Effectively build trust for my online unit. Offline presence is the #1 factor in developing online merchant trust (Jupiter 8/99)
- ⌘ Multi-channel customers spend avg of 20-30% more than single channel customers (Jupiter 06/00)
- ⌘ Bottom Line = AOL helps us to leverage our physical assets to attract profitable customers to shop at our online and/or offline retail channels – HIGH

# The Store Locator

- Proximity Search for local stores of "click-&-mortar"
- merchant partners in the Shop@ environment, including Merchant Comparison and other possible areas (e.g. A-Z Store Listing)

## PLUS

- User may store multiple target locations (link to UMP?)
- Local store return/pick-up policy for online sales

**San Francisco**  
Wednesday, August 14, 2008

**Local Shopping**  
Now are listings for blackbuster.

**Product Description:**  
DTS Surround Sound, DVD Audio CD Pausable Formats, 500 Line Resolution, Single Optical Pick-up, 27-bit Audio DAC, Digital Coaxial, Digital Optical Audio Output

**Shipping Weight:** 19.0 pounds

**Dimensions:** 11in. x 12in x 45in

Store	Price	Availability	Shipping
amazon.com	\$8.45	Out of Stock	Free Shipping
mobshop	\$8.45	In Stock	
Starbuck	\$8.45	Check Site	
Walmart.com	\$8.45	Pre Order	
State Street Direct ONLINE	\$8.45	In Stock	Authorized Dealer - Same day Shipping - Chat Live with out staff.
800.com	\$8.45	In Stock	Get FREE DVD MOVIES with select DVD Players while they last!

**Authorized Reseller:**

- Retail Store
- Store Accepts In-Store Return of Online Purchases
- Store Accepts In-Store Pick-up of Online Purchases
- Store Accepts both In-Store Pick-up and Return of Online Purchases

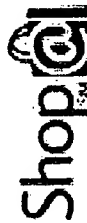
**Store Detail Page**

- Store Name
- Address
- Phone #
- Open Hours
- User Rating
- Reviews (user / pro)
- Map & Driving Direction
- Sales/Coupon
- What's nearby...etc

(Powered by Digital City)

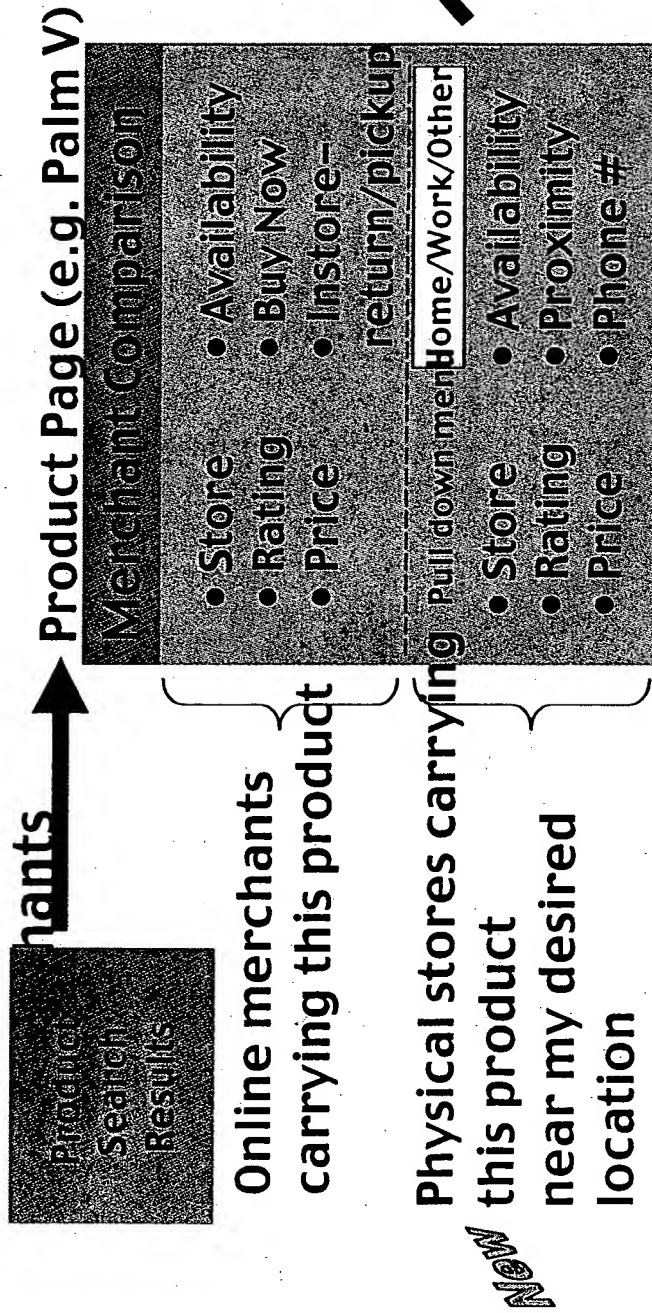
## Product Page: Merchant Comparison

(This mock-up is created solely to illustrate the idea. It's not the final



## The Long Term Vision (outside the scope of this bullet)

- ⌘ Provide a true multi-channel (both online and offline) merchant comparison environment with the latest store-level product pricing and availability info from “click-&-mortar”, “brick-&-mortar” only, and “pure-play e-tailer”





# Cost and Benefit

## Revenue & Traffic Impact

Generate \$1.3M in yr 1 & \$1.8M in yr 2 via local ad impressions

Generate additional 1.7M page views in yr 1 & 2.4M in yr 2

Open additional revenue opportunities via this localized platform

Did I mention Y! MSN and Amazon don't have it?

## Retention

Consumers: HIGH

Click-&-Mortar Merchants: HIGH

Pure-play e-tailers: -ve

## 2-month Development Cycle (Est.)

Engineering	3.5 pm
Engineering - Digital City	1.5 pm
UI Designer	0.5 pm
QA	1 pm
Product Manager	1 pm
Ongoing CPE	0.25 person

## **Key Dependencies / Risks**

- ⌘ **Depends on Digital City** to provide the proximity search and the localized content – *Mitigation: Set the right expectation with DCI on performance requirements, server load, their flexibility and responsiveness in updating store level content upon Shop@ merchant partner's request*
- ⌘ **Privacy concern on allowing user to store zipcode/address** – *Mitigation: The initial check with Kent Walker (legal) was positive. Will confirm with Kent once features are finalized*
- ⌘ **Negative reaction from “pure-play” e-tailer partners** – *Mitigation: Ask Account Management team for feedback*
- ⌘ **Different product assortment at Web channel vs. Physical store channel for a merchant** – *Mitigation: create*

## **Open Issues**

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- ⌘ Can/should we deliver the “stored” user zipcode / address to UMP? – Need to check with Personalization Divlet
- ⌘ In addition to “Merchant Comparison” area (stand-alone and under Product Page), where else can “Store Locator” appear? (e.g. A-Z Store Listing, Dept Pages) – Initial feedback is possible for A-Z Store Listing, but no room for Dept Pages. Need to finalize with Kathleen May.
- ⌘ Do we need permission from merchant partner to deploy “Store Locator”? – Need to check with Acct Mgmt

## **What's Next?**

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- ⌘ **Core team assignment – this week**
- ⌘ **Further investigate open issues and risks**
- ⌘ **Project Kick-off Review & PRD – week of 10/30/00**

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